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WASHINGTON, D.C. - U.S. Rep. Charlie Melancon joined members of the Congressional leadership today for a conference call to discuss recent legislation passed by the House of Representatives to address the ongoing recovery needs in the Gulf Coast region.

Majority Whip James E. Clyburn, leader of the Katrina/Rita Working Group, said **"I'm proud of the leadership exhibited by our Caucus this month with passage of these hurricane recovery bills; namely our distinguished Chairmen, Rep. Charlie Melancon and the members of the Gulf Coast region. Congressman Melancon has been tireless in his efforts to implore Congress to respond to the needs of the communities he represents. He now has a Congress that will work with him to deliver for the Gulf Coast."**

"When my leadership visited south Louisiana last August, they made a commitment that if they gained the majority, they would do more to help the people of the Gulf Coast recover and rebuild from Katrina and Rita," said Rep. Melancon. "Today, after only three months of being in the leadership of the House, I can say we are well on our way to fulfilling that promise."

"Already we have passed legislation to provide over \$6.4 billion in additional relief aide for farmers, shrimpers, local governments, schools, levee construction, and other needs. We have addressed the need for more affordable housing in south Louisiana, and cut red tape that was holding up over \$1 billion for the Road Home program. And we have loosened regulations that were preventing the state from helping local governments cover the local match required for federally funded disaster recovery projects."

"Looking forward, we have bills on the table to address the insurance crisis, fix the SBA's disaster loan program, provide long-term help for schools and universities, and to get started on much-needed hurricane protection and coastal restoration projects. In the next few months, we will be moving forward with addressing these needs, which have been neglected for over a year and a half."

"This Congress has made hurricane recovery on the Gulf Coast a top priority. I thank the leadership for remembering and responding to our struggles in south Louisiana, and I look forward to continuing our work in the coming months."

A summary of approved and pending legislation follows.

Hurricane Recovery Legislation Passed by the House this Congress

Since the 110th Congress adjourned in January with the new Democratic majority, Rep. Melancon has joined his colleagues in passing the following legislation that will help people in south Louisiana recover from Hurricanes Katrina and Rita:

Budget Resolution Designating \$4.4 billion for Hurricane Recovery Efforts (expected to pass the House shortly). Rep. Melancon requested that appropriators prepare for additional Hurricane Katrina and Rita recovery needs when drafting this year's budget resolution. The Resolution on the Budget for Fiscal Year 2008 (H. Con. Res. 99), which is expected to pass the House today, creates a reserve fund and provides \$3.4 billion for Hurricane Katrina and Rita recovery efforts. The Resolution also provides \$1 billion in discretionary funds for housing and income security programs

Emergency Supplemental Providing \$6.4 Billion in Hurricane Disaster Assistance for Gulf Coast. Rep. Melancon worked with House appropriators to get a number of Louisiana's most critical needs in the Emergency Supplemental Appropriations bill (H.R. 1591), passed by the House on March 23rd. These provisions include:

- \$140 million in agriculture disaster assistance to help citrus, livestock, and rice producers
- \$120 million for fisheries relief, with a focus on helping the shrimping and menhaden industries
- \$1.3 billion for continuing construction of the east and west bank levee protection system in New Orleans and surrounding parishes
- Community Disaster Loan forgiveness, which will save local governments in Louisiana an estimated \$1 billion

- \$4.3 billion for FEMA disaster recovery grants, with funding to cover the 10% local match included
- \$60 million in emergency K-12 and higher education recruitment and recovery assistance (similar to RENEWAAL Act)
- \$25 million for Small Business Administration disaster loans
- \$80 million for HUD tenant-based rental assistance
- Extension of FEMA utility subsidy program that reimburses parish governments for the cost of paying utility bills for essential government employees still working and living in FEMA trailers
- Extension of the availability of Social Services Block Grants for hurricane-affected areas, which provides funding for critically needed social services including programs for mental health, child welfare, and the treatment of addictive disorders.
- Extension of the Secretary of Education's authority to waive certain regulations for emergency assistance to reopen schools in hurricane-impacted school districts for another year (Rep. Melancon had introduced identical legislation earlier this year)
- \$10 million for HUD and FEMA Inspector General offices, to increase scrutiny of hurricane recovery dollars.

Legislation Providing More Aid for Hurricane Evacuees, Funding the 10% Local Match for Rebuilding Projects, and Freeing Up \$1.175 Billion for the "Road Home" Program.

Rep. Melancon co-sponsored the Gulf Coast Hurricane Housing Recovery Act of 2007 (H.R. 1227), which passed the House on March 21st. The bill will free up \$1.175 billion in federal funds for use by Louisiana's Road Home program that had been withheld because of a bureaucratic dispute. The bill will also allow Louisiana to use previously appropriated federal Community Development Block Grants to cover the local match required for disaster recovery projects, many of which have been on hold because local governments lack the tax base to pay for the estimated \$1 billion local match required. The bill will also waive a regulation requiring Road Home grants to be reduced because of other disaster relief already received, such as immediate disaster relief and insurance payments. Finally, the bill will help low-income renters by extending a federal housing voucher program to those still displaced by Katrina and Rita until 2008.

Legislation Increasing Construction of Affordable Housing in Hurricane Devastated Areas. The hurricanes damaged or destroyed hundreds of thousands of homes in south Louisiana, and people who have returned face a severe housing shortage and skyrocketing rents. To address this problem so working people can afford to move home sooner, Rep. Melancon joined his colleagues in the House in passing the Katrina Housing Tax Relief Act of 2007 (H.R. 1562) on March 27th. This legislation extends the availability of tax incentives for developers who build affordable rental housing in hurricane-affected areas of the Gulf Coast until 2010 and also allows these tax credits to be combined with Community Development Block Grants. This bill would also help homeowners in the Gulf Coast region by allowing tax-exempt government bonds to be used to refinance existing mortgages on homes that were

damaged by the hurricanes in the area, giving homeowners much-needed money to rebuild their homes.

Legislation Continuing Massive Coastal Restoration Project. Following a request from Rep. Melancon, House appropriators added funding for the Coastal Impact Assistance Program (CIAP) to the funding resolution passed in February to keep the federal government running through fiscal year 2007. In general, the resolution kept funding at fiscal 2006 levels and excluded any earmarks. However, Rep. Melancon was able to convince appropriators that the CIAP was too vital to Louisiana to be put on hold for another year. The Coastal Impact Assistance Program, which was established in 2005 and will provide Louisiana with approximately \$540 million in federal funding over the next four years, authorizes funds to be distributed to Outer Continental Shelf (OCS) oil and gas producing states for the purposes of coastal restoration and mitigation of the impacts of OCS oil and gas activities. Without the CIAP funding Rep. Melancon was able to get included in the funding resolution, implementation of the program would have ground to a halt and important coastal restoration projects would have been delayed even longer.

Legislation Helping Women- and Minority-Owned Small Businesses Affected by Hurricanes Katrina and Rita. On March 26th, the House passed the Disadvantaged Business Disaster Eligibility Act (H.R. 1468). The bill would extend for an additional 18 months the eligibility of women- and minority-owned small businesses in areas affected by Hurricane Katrina and Rita to participate in a program that helps them qualify for federal contracts.

Pending Legislation

U.S. Rep. Melancon has worked with leadership in the House to introduce legislation that will:

Reform the Small Business Administration and their Disaster Loan Program. The SBA's response to Hurricanes Katrina and Rita was a debacle. The agency was understaffed, poorly trained, poorly managed, and overall unprepared to respond effectively to the urgent need for disaster relief loans. By February of this year - almost a year and half after Katrina and Rita made landfall - only 38% of SBA loan applications had been approved and funded. Rep. Melancon joined House Small Business Committee Chairwoman Nydia Velázquez (D-NY) in introducing The Relief for Entrepreneurs: Coordination of Objectives and Values for Effective Recovery (RECOVER) Act of 2007 in early March. This legislation would better prepare the

SBA to handle future disasters by requiring, among other reforms, that the agency to develop a comprehensive disaster response plan, improve employee training, streamline their information tracking system and follow-up process, and more efficiently distribute disaster loans by partnering with private lenders.

In addition, Rep. Melancon worked to make sure the RECOVER Act included language to make the SBA more flexible and permit the agency to approve larger grants for businesses that become major sources of employment following disasters. Rep. Melancon learned from constituents in south Louisiana that some businesses along the Gulf Coast were denied sufficient loans following Katrina and Rita because the SBA judged their applications solely based on their pre-storm capabilities - not on the new realities they were trying to adjust to and their ability to meet post-storm demands. This commonsense provision will loosen that restriction and help cut the red tape strangling small business owners trying to recover.

Address the Property Insurance Crisis. Rep. Melancon is working with Rep. Barney Frank, Chairman of the House Financial Services Committee, and other coastal Members to develop legislation to address the insurance crisis facing Louisiana and other coastal states. The working group is drafting a bill that would create a national catastrophe program for property insurance, with the ultimate goal of increasing coverage areas and reducing multi-peril insurance rates. Unlike other proposals currently under consideration, this plan would allow the private sector to take the lead on property insurance, while the government would provide a federal backstop in cases where a natural catastrophe reached a significant level, beyond the capacity of the private market. This bill would ensure that people have access to affordable insurance for all manner of disasters, including hurricanes, floods, earthquakes, tornadoes, and mudslides.

Waive Regulation Requiring People to Repay SBA Loans with their Road Home Grants.

Hurricane victims in south Louisiana need all the help they can get with rebuilding their homes and getting their lives back to normal. They don't need the federal government giving with one hand and taking with the other. For that reason, Rep. Melancon has introduced the Catastrophic Disaster Recovery Improvements Act to waive the current federal requirement that hurricane disaster victims use their Road Home grants to first pay back any loans they have received from the Small Business Administration. Sen. Mary Landrieu has introduced companion legislation in the Senate.

Authorize Major Hurricane Protection and Coastal Restoration Projects in South Louisiana. Rep. Melancon worked with House Transportation and Infrastructure Committee Chairman James Oberstar to get major south Louisiana hurricane protection and coastal

restoration projects included in this year's water projects bill. The Water Resources Development Act of 2007, which Chairman Oberstar has said will be voted on by the House in the next few weeks, will:

- Authorize the closure of the **Mississippi River Gulf Outlet**
- Authorize over \$1.2 billion for vital south Louisiana hurricane protection and coastal restoration projects identified in the **Louisiana Coastal Area (LCA) Ecosystem Restoration Study**.
- Fully authorize the **Morganza to the Gulf of Mexico** hurricane protection system that will protect about 120,000 people and 1,700 square miles of land in Terrebonne and Lafourche Parishes against storm surges such as those caused by Hurricanes Katrina and Rita.
- Authorize the **Port of Iberia** to be dredged to a depth of 16 feet.

Provide Long-term Assistance to Schools and Universities Devastated by Katrina and Rita. Rep. Melancon joined House Education and Labor Committee Chairman George Miller in introducing legislation to help schools and institutes of higher education all along the Gulf Coast recover and rebuild following Hurricanes Katrina and Rita. The Revitalizing New Orleans by Attracting America's Leaders (RENEWAAL) Act of 2007 provides incentives to qualified teachers and principals that stay in or return to hurricane-impacted public schools and commit to work there for at least three years. The bill will also assist these educators with relocation costs to move back, housing and student loan forgiveness. In addition, higher education institutions that are still struggling with the aftermath of Hurricanes Rita and Katrina would receive help in recruiting and retaining faculty and students.

Eliminate Financial Burden on Local Governments Trying to Rebuild. Rep. Melancon joined Majority Whip Clyburn in introducing the Hurricane Katrina and Rita Federal Match Relief Act of 2007. The bill was introduced almost immediately after the Katrina Working Group was formed in February. It would waive the 25 percent (already reduced to 10%) local funding match required under the Stafford Act for disaster relief, requiring FEMA and the federal government to cover 100% of the costs of these disaster recovery projects. Removing the state and local match for federal assistance grants would allow the state to invest an estimated additional \$800 million in critical needs, including repairing our police stations, fire stations and other important infrastructure. The bill will also forgive 100% of Community Disaster Loans, which has been done in the past for other major disasters like Hurricane Andrew and the September 11th terrorist attacks. Local governments in Louisiana say this would relieve them of an estimated \$1 billion in debt they don't have the tax base to repay. The 10% local match was subsequently addressed in the Gulf Coast Hurricane Housing Recovery Act of 2007, which allows the state to use federal CDBG monies for the local match, and the Emergency Supplemental, which provides additional federal money to cover the local match for future projects. Language forgiving Community Disaster Loans was also included in the Emergency

Supplemental.

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